

P R E S S R E L E A S E

Serrano Limited, an interior fit-out and furnishings specialist, seeks listing on Catalist

- *Offers 30 million Invitation Shares at S\$0.23 each*
- *Leading provider of interior fit-out solutions for property development and refurbishment projects in the residential, hospitality, retail and commercial sectors*
- *Completed over 80 interior fit-out projects in Southeast Asia since 1998; iconic projects in Singapore include Reflections at Keppel Bay, The Interlace and the Youth Olympic Village*
- *Strong order book of S\$69.7 million for its Interior Fit-Out Business as at 15 September 2014*

SINGAPORE, 15 October 2014 – Serrano Limited ("Serrano" and together with its subsidiaries, the "Group"), today launched its initial public offering (the "IPO" or the "Invitation") of 30 million shares (the "Invitation Shares") at S\$0.23 per share, in conjunction with its proposed listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

United Overseas Bank Limited is the Sponsor, Issue Manager, Underwriter and Placement Agent for this IPO.

The Invitation

The Invitation comprises 1.5 million Offer Shares and 28.5 million Placement Shares. Of the total 30 million Invitation Shares, 22.5 million are New Shares and 7.5 million are Vendor Shares. The Invitation Shares represent 20% of Serrano's post-Invitation share capital of 150 million shares. At S\$0.23 per share, the Invitation is priced at a price earnings ratio of 9.2 times based on the Group's historical earnings per share of 2.5 cents for the financial year ended 31 December 2013 and pre-Invitation share capital of 127.5 million shares.

Based on the Invitation Price of S\$0.23 per share, the post-Invitation market capitalisation of Serrano will be S\$34.5 million.

The Invitation will close at 12 noon on 23 October 2014. The listing and trading of Serrano's shares is expected to commence on a "ready" basis at 9.00 a.m. on 28 October 2014.

About Serrano Limited

From its humble beginnings as a furniture company in the 1970s, Serrano has grown to become a leading provider of interior fit-out solutions for property development and refurbishment projects in Singapore and across Southeast Asia. Its portfolio spans the residential, hospitality, retail and commercial sectors, with a focus on mid- to high-end private residential developments.

Since its successful foray into the interior fit-out business in Vietnam in 1998, the Group has completed over 80 interior fit-out projects in Southeast Asia, and the Serrano brand name has become synonymous with quality and reliability.

Serrano's prominent past projects include award-winning and iconic developments such as Reflections at Keppel Bay, The Interlace, ICON @ Tanjong Pagar, Somerset Serviced Residence and the Youth Olympic Village (Nanyang Technological University) in Singapore; the Star City Thanlyin township development and Traders Hotel in Myanmar; The Estella condominium in Vietnam; and The Met condominium and The River condominium in Thailand.

Some of its significant projects on-hand include Sky Habitat, Marina One Residences, Leedon Residence, A Treasure Trove and Capitol Theatre which is undergoing a major facelift. In Thailand, the Group is also working on an interior fit-out project for Unixx South Pattaya condominium.

As at 15 September 2014, the Group has a strong order book of approximately S\$69.7 million for its Interior Fit-Out Business.

Complementing its Interior Fit-Out Business, the Group also manufactures and supplies a wide range of furnishings suitable for home, office and commercial use, including modular kitchen systems and office systems under its Wholesale and Retail Furnishings Business.

Its furnishing products are retailed under the Group's in-house brand "Sanzio", and also sold to wholesale customers in Singapore, including Courts and Novena. The Group also owns exclusive distributorships for mid-end to luxury European brands such as Handson, Stosa, Pierre Cardin Mobilia and Pierre Cardin Office, whose products are distributed through the Group's retail showroom in Singapore and also purchased by wholesale customers in Vietnam and Cambodia.

As a testament of its leading position and commitment to quality, the Group has won numerous awards and certifications. These include the Singapore Prestige Brand Award – Established Brand in 2013 and 2014, the Asia Pacific Brands Award Singapore's Finest in 2014, Singapore Furniture Industry Awards - The Furniture Manufacturer Award (Gold) in 2013, and ISO 9001:2000 Quality Management System Certificate for provision of furniture distribution and project management.

Executive Chairman and CEO, Mr Winston Chia (谢耀德) commented, "As a leading one-stop interior fit-out solutions specialist, we pride ourselves on our ability to complete large-scale projects within a short time frame, yet providing convenience and cost savings to our customers. This has resulted in strong and long-standing relationships with our customers which have led to many repeat collaborations. Their high level of satisfaction in our products and services is a testament to our relentless pursuit for product quality and service excellence. This, together with our proven track record, experienced team and good relationships with suppliers and sub-contractors, place us in a favourable position to garner more projects in the Southeast Asia region."

Spearheading Serrano's business is a capable and experienced management team that comprises Winston Chia, Executive Director Johnston Chia (谢耀辉) and Executive Director Eugene Tse (谢禹正), each of whom has extensive industry and/or management experience, and supported by a team of experienced and qualified key executives.

Business Strategies and Future Plans

Aside from its base in Singapore, Serrano has set its sights on making further inroads into the emerging markets in the Southeast Asian region, particularly Myanmar, Thailand, Cambodia and Vietnam.

Myanmar, a key market in which the Group intends to expand its Interior Fit-Out Business, has a growing population of approximately 51 million in 2014 and its construction sector is expected to achieve a 46% growth from close to US\$3.0 billion in 2012 to US\$4.2 billion in 2016.

“We believe the Southeast Asian economies will continue to develop rapidly, leading to growing affluence and higher living standards. This will spur property developers to offer more up-market developments in the residential, hospitality, retail and commercial sectors which will drive demand for the kind of high quality fit-out products and services we provide. As such, we intend to increase our market penetration overseas, in particular, Myanmar,” said Mr Winston Chia.

Serrano is also looking to secure more and larger interior fit-out projects in the commercial and hospitality sectors so as to diversify its Interior Fit-Out Business across sectors and countries.

For both local and overseas expansion, the Group may explore investments, acquisitions, strategic alliances and/or joint ventures that are complementary to its existing core business so as to gain access to new markets, customers and businesses.

Use of IPO Proceeds

The Group plans to use the net proceeds for (i) overseas market penetration, (ii) suitable investments, acquisitions, strategic alliances and/or joint ventures, and (iii) general working capital.

Financial Highlights

In the last three financial years ended 31 December, the Group’s revenue grew at a CAGR of 13.9%, from \$64.0 million in FY2011 to \$83.0 million in FY2013 due to growth in the fit-out business. Correspondingly, net attributable profit rose more than 5 times to \$3.2 million in FY2013, from \$553,000 in FY2011.

For the half year ended 30 June 2014, the Group recorded revenue of S\$41.5 million, with net profit of \$782,000. If the non-recurring expenses of approximately \$1.0 million, which included the listing expenses and other expenses incurred as part of the Group’s restructuring exercise, were excluded, the Group would have made a net profit of \$1.8 million.

Issued for and on behalf of Serrano Limited by

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This Press Release does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Document, including but not limited to the sections entitled “Risk Factors” and “Cautionary Notes Regarding Forward-Looking Statements” of the Offer Document. The information contained in this Press Release should not be relied on as any representation or warranty by Serrano Limited.

Any decision to subscribe for and/or purchase any securities must be made solely on the basis of information contained in the Offer Document. Anyone who wishes to subscribe for and/or purchase the Invitation Shares shall make an application in the manner set out in the Offer Document.

Copies of the Offer Document and the Application Forms may be obtained on request, subject to availability during office hours, from United Overseas Bank Limited, 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624. A copy of the Offer Document is also available on the SGX-ST website <http://www.sgx.com>.

This Press Release includes forward-looking statements provided with respect to the anticipated future performance of Serrano Limited. Such forward-looking statements reflect various assumptions of the management concerning the future performance of Serrano Limited. Accordingly, there can be no assurance that such projections and forward-looking statements will be realised. The actual results may vary from the anticipated results and such variation may be material. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the forward-looking statements based thereon.

*This press release has been prepared by Serrano Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this press release.*

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Corporate Finance and Mr David Tham, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6539 1177.